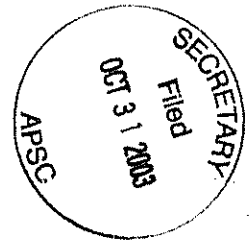


BEFORE THE
ALABAMA PUBLIC SERVICE COMMISSION
MONTGOMERY, ALABAMA



IN RE:

Petition for a Declaratory Order Regarding
Classification of IP Telephony Service

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DOCKET NO.: 29016

COMMENTS OF THE ATTORNEY GENERAL

COMES NOW the Attorney General of the State of Alabama, on behalf of the using and consuming public of this State, by and through the undersigned, appointed counsel, and respectfully submits the following comments in the above-styled cause. By Order of the Alabama Public Service Commission (hereinafter known as the "Commission") dated August 29, 2003, the Commission seeks comment regarding the various forms of IP telephony service and the jurisdictional issues related thereto. More specifically, the Commission seeks comment as to whether IP telephony providers are "transportation companies," as defined by ALA. CODE § 37-2-1 (1992); whether they are subject to the Commission rules applicable to the provisioning of telephone service, including the filing of tariffs; and whether they are responsible for the payment of intrastate access charges for the origination or termination of non-local traffic that originates and terminates in Alabama. With respect to these issues, the Attorney General submits the following comments.

IP telephony services include Voice over Internet Protocol ("VoIP") services that may be carried in whole or in part over the public switched telephone network (PSTN) and private network facilities, and/or over the internet, commercial mobile radio service (CMRS) facilities, cable networks, or any combination of these. Such combinations of

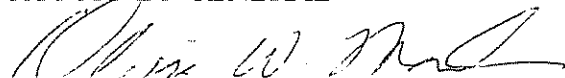
networks and technologies are extremely complex, have displaced traditional plain old telephone service (POTS) at an increasingly rapid rate, and have outgrown even the most forward-looking provisions of the Telecommunications Act of 1996 (the "Act"). Accordingly, regulators are now faced with the unenviable task of attempting to implement rules and regulations for services that no longer fit within the Act's regulatory framework.

Among the difficult questions raised by such attempts to regulate nontraditional telecommunications services in this framework are the very issues for which the Commission has sought comment herein. Such services, although sometimes strictly confined to intrastate commerce, tend to be largely interstate by nature. The Petitioner's request for a declaratory ruling as to these questions may therefore be premature and may best be served after federal and state regulators have had an opportunity to more properly determine the appropriate forum, nature, and extent of regulation necessary for internet protocol-based services.

WHEREFORE, the Attorney General respectfully submits that this Commission should defer Petitioner's request for a declaratory ruling until such time as the technical and legal issues are more fully developed.

Respectfully submitted on this 31st day of October 2003.

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CERTIFICATE OF SERVICE

I hereby certify that I have, this 31st day of October 2003, served a copy of the foregoing document on all counsel of record by placing a copy of same in the United States Mail, postage prepaid and properly addressed as follows:

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